

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

In the Matter of:

Valley Falls, RI Station
Cumberland, RI 02864-9991
(Derrick Watson, Petitioner)

Docket No. A2011-18

COMMENTS OF UNITED STATES POSTAL SERVICE
(July 18, 2011)

By means of Order No. 737 (May 25, 2011), the Postal Regulatory Commission (Commission) docketed correspondence from a customer of Valley Falls Station in Cumberland, Rhode Island, assigning PRC Docket No. A2011-18 as an appeal pursuant to 39 U.S.C. § 404(d). On July 8, 2011, the Commission denied an application for suspension filed by Mayor Daniel J. McKee on June 20, 2011.¹ On July 15, 2011, the Postal Service filed the administrative record, in accordance with the Commission's request.² The Postal Service renews the arguments set forth in its Notice of Filing³ and its Comments in PRC Docket No. A2010-3⁴ ("A2010-3 Comments").

This appeal concerns a station, and not a Post Office for purposes of 39 U.S.C. § 404(d). The Petitioner notes that the Valley Falls Station is often referred to as a "post office."⁵ However, the distinction between an independent Post Office and the subordinate units attached to an independent Post Office is

¹ PRC Order No. 756, Order Denying Application for Suspension, PRC Docket No. A2011-18 (July 8, 2011).

² United States Postal Service Notice of Filing and Application for Non-Public Status, PRC Docket No. A2011-18 (July 15, 2011).

³ Notice of United States Postal Service, PRC Docket No. A2011-18 (June 7, 2011).

⁴ Comments of United States Postal Service Regarding Jurisdiction Under (Current) Section 404(d), PRC Docket No. A2010-3 (April 19, 2010).

⁵ Initial Brief of the Petitioner, PRC Docket No. A2011-18 (June 27, 2011), at 2-3.

clearly established in postal regulations and operating instructions. As described in the A2010-3 Comments (at 5-9), section 404(d) does not apply to retail locations such as stations which are subordinate to a Post Office. In the Postal Service's view, Congress knowingly used "Post Office" in its technical sense thereby excluding stations and branches, as demonstrated in the legislative history, and because Congress had used "Post Office" in its technical sense for well over a century.

In addition to the Postal Service's position summarized above, which is set forth in more detail in PRC Docket Nos. A2010-3 and N2009-1, the procedural requirements of 39 U.S.C. § 404(d) do not apply here because the discontinuance of Valley Falls Station does not qualify as a closure envisioned by 39 U.S.C. § 404(d). Because 39 U.S.C. § 404(d)(5), does not apply, the Commission does not have jurisdiction under 39 U.S.C. § 404(d)(5) to consider an appeal of the discontinuance of a station. As recognized by the Commission in PRC Docket No. A2010-3, the section 404(d) procedural requirements do not apply where postal customers do not lose access to postal services due to the location of alternate retail facilities in "close proximity" to the discontinued station. See Order No. 477, Order Dismissing Appeal, PRC Docket No. A2010-3 (June 22, 2010) at 7-8. In this case, the Petitioner expresses concern about "the type, quality and proximity of access" that customers have to postal services in their community.⁶ According to the Final Determination To Close the Valley Falls, RI Classified Station [and] Continue to Provide PO Box and Retail Service through the Cumberland, RI Classified Station (FD) filed with the Postal Service's Notice

⁶ Initial Brief of the Petitioner, PRC Docket No. A2011-18 (June 27, 2011), at 5.

of June 7, 2011 in this docket and the administrative record, affected customers will not lose access to postal services of similar type and quality which are in close proximity, because customers may obtain services from 2 stations that are located within 2.0 miles of the Valley Falls Station, including the Lincoln Station that is located within 1.2 mile(s) of Valley Falls Station and the Pawtucket Post Office that is located within 1.8 miles of Valley Falls Station. Item No. 16, Cover Letter, Questionnaire, and Enclosures at 1; Item No. 17, Returned Customer Questionnaires and Postal Service Response, at 14A⁷; FD at 1. There are an additional 8 post offices, stations and branches within 5 miles of Valley Falls Station. FD at 1. In addition, multiple expanded access options are located within 5.0 miles of Valley Falls Station. These options include stamp consignment sites at CVS stores, Stop & Shop, and Pawtucket CU, which are located within 1.5 miles of Valley Falls Station. See Notice of United States Postal Service, PRC Docket No. A2011-18 (June 7, 2011) ("Notice") at 2-3, Exhibits 2 and 3.

Even assuming the section 404(d) requirements were applied in the context of the discontinuance of Valley Falls Station, the Postal Service satisfied the salient provisions of section 404(d). On September 21, 2009, the Postal Service distributed questionnaires to customers of the Valley Falls Station

⁷ Postal Service Response Letters similar to Item No. 17, at 14A can also be found in Item No. 17, at 17A, 20A, 23A, 28A, 31A, 34A, 37A, 40A, 43A, 47A, 50A, 53A, 57A, 60A, 63A, 66A, 69A, 73A, 76A, 79A, 82A, 85A, 88A, 91A, 94A, 97A, 100, 104A, 107A, 110A, 113A, 116A, 119A, 122A, 125A, 128A, 131A, 134A, 137A, 143A, 146A, 151A, 154A, 157A, 162A, 165A, 168A, 175A, 178A, 181A, 185A, 190A, 193A, 196A, 199A, 201A, 204A, 207A, 210A, 213A, 216A, 221A, 225A, 228A, 231A, 234A, 237A, 240A, and 243A ("similar Postal Service response letters"). (In these comments, specific items in the administrative record are referred to as "Item ____.")

notifying them of the possible discontinuance of the Valley Falls Station, and inviting comments on the potential change to the postal retail network. Item No. 16, Cover Letter, Questionnaires and Enclosures at 1; FD at 1. The Postal Service also made the questionnaire available over the counter at the Valley Falls Station. FD at 1. Through this notification, the Postal Service furnished customers with well over 60 days' notice of the Postal Service's intention to consider discontinuance of the facility. The Postal Service received 79 responses to the questionnaire from customers. Item No. 18, Postal Customer Questionnaire Analysis at 1; FD at 1. Upon making the final decision to discontinue Valley Falls Station, the Postal Service announced its decision publicly on May 6, 2011. See Appeal of Closure of Valley Falls Post Office Cumberland RI 02864 (May 22, 2011), Exhibit 1.

The appeal rights established under 39 U.S.C. § 404(d)(5) that the Petitioner mentions⁸ are not relevant to the discontinuance of a station. As explained in the Postal Service's notice filed on June 7, 2011 in this docket, the procedural requirements of 39 U.S.C. § 404(d) do not apply because the discontinuance of Valley Falls Station does not qualify as a closure envisioned by 39 U.S.C. § 404(d).⁹ Therefore, the appeal rights established under 39 U.S.C. § 404(d)(5) are not relevant to the discontinuance of Valley Fall Station, and the Commission does not have jurisdiction to review the discontinuance of Valley Falls Station.

⁸ Appeal of Closure of Valley Falls Post Office Cumberland RI 02864, PRC Docket No. CP2011-18 (May 22, 2011), at 4; Initial Brief of the Petitioner, PRC Docket No. A2011-18 (June 27, 2011), at 15.

⁹ See Notice of United States Postal Service, PRC Docket No. A2011-18 (June 7, 2011), at 2-3.

In addition, the Postal Service considered all of the pertinent criteria of section 404(d), including the effect on postal services, the community, and employees, and the economic savings arising from the discontinuance.¹⁰ The appeal received by the Commission on May 23, 2011 and the Petitioner's initial brief raise three main issues: (1) the effect on postal services, (2) the impact on the Valley Falls community, and (3) the calculation of economic savings expected to result from discontinuing the Valley Falls Station. As reflected in the FD, the Postal Service gave these issues serious consideration. The Postal Service also gave consideration to a number of other issues, including the impact upon postal employees.

In light of declining office revenue,¹¹ the variety of delivery and retail options,¹² minimal expected growth,¹³ and the expected financial savings, the Postal Service decided to close the Valley Falls Station. FD at 4-5. Regular and effective postal services will continue to be provided to the Valley Falls community in a cost-effective manner upon implementation of the final determination. FD, at 1-4.

The FD indicates that the Valley Falls Station provides retail services 33 hours a week. Daily retail window transactions average 126. FD at 1. Upon implementation of the FD, the clerk will be reassigned to the Pawtucket Post

¹⁰ See *id.*, at 3-5, and Exhibit 1.

¹¹ See Item No. 2, Station and Branch Optimization Concept Briefing Sheet, at 2; Item No. 3, Classified Station/Branch or Community Post Office Discontinuance Checklist, at 1; FD, at 1, 4.

¹² See Item No. 16, Cover Letter, Questionnaire, and Enclosures, at 1; Notice of United States Postal Service, PRC Docket No. A2011-18 (June 7, 2011), at Exhibit 1, at 1-2, and Exhibits 2 and 3.

¹³ Item No. 12, Community Survey Sheet, at 1.

Office. FD at 4. Office receipts for the last three years were: \$199,939.00 in FY2007, \$202,331.00 in FY2008, and \$181,133.00 in FY2009. The Valley Falls Station had no permit customers. FD at 1. Upon implementation of the FD, city delivery service will be administered by the Cumberland Classified Station, located 3.1 miles away, and Post Office Box customers will have the option of carrier delivery service or moving their Post Office Box to the Cumberland Classified Station. Item No. 16, Cover Letter, Questionnaire, and Enclosures, at 1; FD at 1.

Below, the Postal Service briefly addresses the issues raised by the Petitioner and intervenors.

The Postal Service considered the effect of closing the Valley Falls Station on postal services provided to Valley Falls customers, as is clearly evident in the administrative record. The closing is premised upon providing regular and effective postal services to Valley Falls customers. The Petitioner, in his letter of appeal and initial brief, expresses concern about the effect on postal services of the discontinuance of Valley Falls Station, noting the convenience of the Valley Falls Station and requesting its retention. The Petitioner identifies a number of concerns including (1) senior citizens¹⁴; (2) having to travel to another post office for service¹⁵; (3) inconvenient access at the Cumberland Station¹⁶; (4) the

¹⁴ Appeal of Closure of Valley Falls Post Office Cumberland RI 02864, PRC Docket No. A2011-18 (May 22, 2011), at 5.

¹⁵ *Id.*

¹⁶ *Id.*, at 6. Initial Brief of the Petitioner, PRC Docket No. A2011-18 (June 27, 2011), at 10.

parking situation at the Cumberland Station¹⁷; and (5) the singling out of Valley Falls for discontinuance.¹⁸ These issues were considered by the Postal Service, as is evident in the administrative record and the FD.¹⁹ The Postal Service considers that carrier service is beneficial to many senior citizens.²⁰ The Postal Service informed customers that they would have the option of moving their Post Office Box to the Cumberland Station.²¹ The Postal Service identified numerous retail service options available to customers, including the Lincoln Station located within 1.2 miles of the Valley Falls Station, and the ability to purchase stamps by telephone, through the internet, or at stamp consignment locations listed at www.usps.com. Item No. 17, Returned Customer Questionnaires and Postal Service Response, at 14B and similar Postal Service response letters; FD at 1-2. The Postal Service considered that the Cumberland Station will continue to provide effective and regular service to the customers of the area, offer expanded hours not available at the Valley Falls Station, and has 13 marked parking spaces, including one designated for handicapped parking and one lane to enter the facility and a separate lane to exit.²² The Postal Service also

¹⁷ Appeal of Closure of Valley Falls Post Office Cumberland RI 02864, PRC Docket No. A2011-18 (May 22, 2011), at 6.

¹⁸ See Initial Brief of the Petitioner, PRC Docket No. A2011-18 (June 27, 2011) at 9-10, 14.

¹⁹ Item No. 17, Returned Customer Questionnaires and Postal Service Response, at 14A and B and similar Postal Service Response letters; Item No. 18, Postal Customer Questionnaire Analysis; FD at 1-2.

²⁰ Item No. 17, Returned Customer Questionnaires and Postal Service Response, at 14B and similar Postal Service response letters; FD at 2.

²¹ See Appeal of Closure of Valley Falls Post Office Cumberland RI 02864, PRC Docket No. A2011-18, Exhibit 1 (Public Notice to Postal customers in ZIP Code Area 02864 (May 6, 2011); see *also* FD at 1.

²² FD at 2-3.

explained to customers that they would not need to change their address if they chose to continue their Post Office Box at the new location.²³

The Postal Service considered the effect of its decision to close the Valley Falls Station upon the Valley Falls community, which is of concern to the Petitioner. See Item No. 12, Community Survey Sheet. The Postal Service addressed concerns about the impact of the discontinuance of the Valley Falls Station on the community, including the local business community, which were included in the questionnaire responses. Item No. 17, Returned Customer Questionnaires and Postal Service Response, at 14B and similar Postal Service response letters. Regular and effective postal services will continue to be provided to the Valley Falls community. FD at 3-4.

Postal officials also considered the economic savings that would result from the closing of the Valley Falls Station. The FD includes a breakdown of the costs that serve as a basis for the Postal Service's estimate of economic savings. FD at 4. The Postal Service estimates that maintaining city delivery service administered by the Cumberland Station and discontinuing the Valley Falls Station would cost the Postal Service substantially less than maintaining the Valley Falls Station and would still provide regular and effective service. The estimated annual savings associated with discontinuing the Valley Falls Station is \$106,282.00. FD at 4. The Petitioner's letter of appeal and initial brief questions these figures. However, the Postal Service has determined that city delivery service administered by the Cumberland Station is the most cost-effective

²³ See Item No. 16, Cover Letter, Questionnaire, and Enclosures, at 1; Appeal of Closure of Valley Falls Post Office Cumberland RI 02864, PRC Docket No. A2011-18, Exhibit 1 (Public Notice to Postal customers in ZIP Code Area 02864 (May 6, 2011)).

solution for providing regular and effective service to the Valley Falls community. FD, at 3-5.

The Postal Service determined that the impact of the discontinuance of the Valley Falls Station on postal employees is minimal. The clerk will be reassigned within the Pawtucket Post Office. FD at 4.

As reflected throughout the FD, the Postal Service considered the effect of closing the Valley Falls Station on the provision of postal services and on the Valley Falls community, as well as the economic savings that would result, and the effect on postal employees, and other factors.

After taking all factors into consideration, the Postal Service determined that the advantages outweigh the disadvantages. In addition, the Postal Service concluded that after the discontinuance, the Postal Service will continue to provide effective and regular service to Valley Falls customers. FD at 4.

For the reasons set forth above, and in the Notice of Filing in this docket and the Postal Service Comments in PRC Docket No. A2010-3, the appeal should be dismissed.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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